

STATE OF MICHIGAN



JAMES J. BLANCHARD, Governor

DEPARTMENT OF TREASURY

ROBERT A. BOWMAN, State Treasurer

STATE TAX COMMISSION

4th Floor Treasury Building

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COMMISSION MEMBERS

WARD G. DEXEL

LEROY J. NELSON

ROBERT O. VANDERMARK

TO: Assessing Officers and County Equalization Directors
FROM: Michigan State Tax Commission
SUBJECT: Certified Prevailing Institutional Lending Rates of
Interest for the Period January 1986 through March 1986
Expressed as Percentages

	<u>1986</u>		
	<u>Residential</u>	<u>Commercial/Industrial</u>	<u>Agricultural</u>
January	10.91	10.79	13.49
February	10.72	10.91	13.49
March	10.42	10.41	13.23

Note: The use of these rates is discussed in Bulletin No. 11 dated October 14, 1985. In part it states that an "instrument with a down payment of at least 10% of the purchase price and with the interest rate within 1% of the prevailing rate certified by the STC for that period shall be considered a conventional sale." Therefore, a land contract whose interest rate is more than one percentage point lower than the certified prevailing rate for the time of sale would be considered to be creative financing.

The certified rates for 1984 are included in Bulletin No. 12 of 1985 dated November 13, 1985. The certified rates for 1985 are included in Bulletin No. 14 of 1985 dated December 30, 1985.